

The City Council of the City of Newton held a work session at 6:00 PM on Tuesday, January 4, 2005 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Tom Dixon, Tom Rowe, Anne Stedman, Roy Johnson, Al Gaither, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

Mayor Mullinax called the work session to order and stated it was being held to consider the award of bids for Contract 20.0 of the Energy United waterline project. He said several Council Members have asked questions about the mechanics of the waterline to serve Energy United and tonight's work session was being held to answer those questions.

City Manager Burchins stated that in October of last year, the City opened bids on Contract 20.0 of the waterline project. Ronny Turner was the low bidder with the bid amounting to \$2,803,650 and the bid is valid until January 11th. Since the bids were received in October, the staff has met with engineers to discuss questions received from Council Members Dellinger and Dixon regarding the project. He said Contract 20.0 was added to the original project since some restrictions were found which added additional cost to the project. He asked Charles Willis of Willis Engineers to explain the project and to answer some of the questions raised and any others the Council might like answered so this project can move forward.

Mr. Willis reviewed information submitted in a letter to Director of Public Works and Utilities Director Marty Wilson on December 2, 2004. He said his letter and tonight's report addressed some alternative water facilities suggested by the City to serve Energy United (EU). The current scope of facilities was developed over the last fifteen months to enable the City to fulfill the obligations called for in the *Agreement for Plant Capacity and Bulk Water Sale* with Energy United Water Corporation and the Town of Taylorsville. The *Agreement* calls for sale of up to 2,500,000 gallons of water per day and grants capacity rights to Newton's Water Treatment Plant.

Mr. Willis reported that in December, 2003, he presented an evaluation of the necessary improvements to the City Council at which time they were directed to prepare detailed designs, gain regulatory approvals, and proceed with bidding. We subdivided the work into two sections - Contract 19.0, the 20-inch water line extending from the intersection of Boggs Road and NC 10 to the EU connection on the east side of the Catawba River; and Contract 20.0, a 20-inch line expanding the City's transmission capacity from the center of Newton to the Boggs Road/NC 10 intersection. Based on construction bids received on October 12, the total estimated cost for implementation of both Contracts is \$5.8 million. Contract 19.0 represents \$2.6 million of this amount and Contract 20.0 the remaining \$3.2 million. The current program is scheduled for completion in the fall of 2005.

Mr. Willis stated that recent City inquiries relate to alternatives to the facilities defined in Contract 20.0. He said they have been asked to evaluate and price these alternatives and reviewed the following:

Alternate I - Revise the route between Mount Olive Church Road/NC 10 and Boggs Road/ NC 10 by following Claremont and Love Roads rather than NC 10. Under this Alternate an additional 4,830 feet of pipeline would be required and at least 4,000 feet of the total line would have to be 24-inch to maintain the hydraulic characteristics of the currently planned facility.

Mr. Willis stated that it was estimated that the change would increase the \$3.2 million budget to about \$4.0 million. Complete redesigns of about 27,400 feet of pipeline would be necessary. The time required for redesign, resubmittal

and acquisition of regulatory approvals, and rebidding would be on the order of eight months.

Alternate 2 --Revise the route between the center of Newton and the Boggs Road/NC 10 intersection in a southerly direction. An additional 3,475 feet of pipeline will be required and significant pumping revisions will be necessary at the old water plant since this route will no longer be directly connected to the hydraulic control system afforded by use of the Mount Olive Church Road elevated tank.

Mr. Willis stated that selection of this Alternate will increase the \$3.2 million budget to about \$4.4 million. Totally new designs will be required for about eight miles of pipeline and the new pumping facilities at the old water plant. Design and regulatory approval activities for this Alternate would take an additional ten months.

Alternate 3 - Provide additional water storage facilities to meet maximum flow requirements and thereby reduce the required flow rate from the center of Newton to the storage facility. To implement this option will necessitate the construction of a one million gallon elevated storage tank near the Boggs Road/NC 10 intersection, additional pipeline for a portion of the route from the center of Newton to the tank, and additional booster pumping facilities.

Mr. Willis reported that based on current prices, a one million gallon elevated storage tank would cost about \$2.2 million and the booster pumping facility would cost about \$800,000. The pipeline reduction from the current Contract 20.0 scope could result in a savings of about \$900,000. Thus, using this Alternate represents an estimated project cost of \$5.3 million. All of the design and approval activities required for this scope would add twelve to sixteen months to the schedule to begin construction. Project completion could likely not be accomplished before the end of 2006.

Mr. Willis outlined another alternate which was not included in the letter sent to Mr. Wilson. He said the alternate was to use a 2 million gallon stand pipe with booster pumping station and would cost the same as alternate three.

Mr. Willis stated that his firm was commissioned to meet Newton's contractual obligations to provide water to Energy United the cheapest way possible and that he has tried to do that.

Mr. Willis answered a number of questions Council Members had about the project including connecting new lines to old smaller lines, concern regarding building lines parallel to lines already in place and concern regarding building an additional line from Carolina Mills to the Mt. Olive Church Road water tank.

After considerable discussion, a motion was made by Mayor Pro Tem Rowe, seconded by Council Member Johnson, to accept the bid of Ronny Turner, Inc. in the amount of \$2,803,650 for Contract 20.0 of the Energy United water project and to approve a budget ordinance for \$5,510,000. Council Members Rowe, Johnson, Stedman, Gaither and Dixon voted for the motion. Council Member Dellinger voted against it. The motion carried five to one.

ORDINANCE 2005.1 ATTACHED

There being no further discussion, the work session was adjourned.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk

REGULAR MEETING - CITY COUNCIL - CITY OF NEWTON

JANUARY 4, 2005

The City Council of the City of Newton held a regular meeting at 7:00 PM on Tuesday, January 4, 2005 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Tom Dixon, Tom Rowe, Anne Stedman, Roy Johnson, Al Gaither, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

ITEM 1 - CALL TO ORDER.

Mayor Mullinax called the meeting to order and welcomed citizens in the audience. He said he hoped everyone was able to attend the fireworks display which started the City's 150th anniversary and that many events are planned to celebrate the City's 150th year. The next event will be held on January 19, 2005 at 6:00 PM at the Central Recreation Center when the Center will be dedicated and he stated that the regular City Council meeting would be held there at 7:00 PM.

ITEM 2 - OPENING.

Assistant City Manager Glenn Pattishall gave the invocation and led the Pledge of Allegiance.

ITEM 3 - APPROVAL OF MINUTES OF THE DECEMBER 8, 2004 REGULAR MEETING.

A motion was made by Council Member Johnson, seconded by Council Member Gaither, and unanimously adopted that the minutes of the December 8, 2004 regular meeting be approved as submitted.

ITEM 4 - CONSIDERATION OF APPROVAL OF CONSENT AGENDA ITEM.

A motion was made by Council Member Johnson, seconded by Mayor Pro Tem Rowe, and unanimously adopted to approve the following items on the Consent Agenda:

A. Tax releases. (adopted)

Tax Year	Tax Release Number	Name	Reason	Amount of Release
2003	36	C&G Electric, Inc.	Situs change	\$112.29
2004	37	C&G Electric, Inc.	Situs change	\$123.52
2004	38	Hicks, Steve	Sold property prior to billing	\$2.91
2004	39	Piedmont Natural Gas Co.	Billing error will rebill	\$10,634.45

2004	40	Shearin, Virginia	Billed in error	\$239.36
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B. Sewer charge adjustment. (adopted)

Marshal Coulter \$21.53

C. Consideration of approval of FY 2004-05 audit contract and engagement letter - Lowdermilk, Church and Company. (adopted)

City Manager Burchins reported that after the last Council meeting, he had a discussion with Council Member Dixon and before the next audit report is submitted, several amendments will be required to be made to make the report clearer and more detailed.

ITEM 5 - OLD BUSINESS:

A. Discussion of cemetery issues:

A.1 rules and regulations

Assistant City Manager Pattishall reviewed the rules and regulations for operation of the City's cemeteries and stated that he made the wording changes recommended by the Council at the last meeting.

Council Member Dixon moved that a sentence in the rules section shown on page 29 of the agenda be changed from "no lot owner may transfer his or her lot without having first offered same to the City at the price at which it was originally purchased from the City" to "no lot owner may transfer his or her lot without having first offered same to the City at the current rate of sale by the City. Council Member Gaither seconded the motion and the motion carried unanimously.

After discussion, a motion was made by Council Member Dixon, seconded by Council Member Johnson, and unanimously adopted to approve the rules for operation of the City's cemeteries.

Mr. Pattishall reviewed the proposed revisions to Chapter 7 of the City Code concerning cemeteries.

A motion was made by Council Member Stedman, seconded by Council Member Gaither, and unanimously adopted to adopt the proposed revisions to the City Code.

ORDINANCE #2005.2 ATTACHED

A.2 markers/monuments in Southside Cemetery

The Council discussed the types of markers/monuments to be allowed. City Manager Burchins stated the staff recommended an alternating grid of flat and upright monuments as reviewed at the last meeting to help with maintenance costs. After further discussion, the Council agreed to consider this issue at another meeting.

The Council discussed the proposed cost for lots in Southside cemetery. Council Member Dixon stated he thought rates should be the same in the cemetery and not varied rates for different locations but that a perpetual care fee should be charged.

City Manager Burchins stated that if the City charges perpetual care fees

that funds would have to be set aside in a trust fund for perpetual care. He recommended City Attorney Pitts be authorized to research the perpetual care trust fund requirements.

After discussion, a motion was made by Council Member Dixon, seconded by Mayor Pro Tem Rowe, and unanimously adopted that cemetery lots in Southside Cemetery be established at \$1,200 for non-residents and \$2,400 for non-residents for the first three years of operation and then increase to \$1,500 for residents and \$3,000 for non-residents. Mr. Dixon stated that it was important for the City to offer a entry rate less than originally discussed to sell lots quickly for the establishment of the new cemetery.

City Manager Burchins stated that it was the City's goal to operate the new cemetery with user fees and not subsidize it by taxpayers. Council Member Gaither stated that he thought double rates for non-residents was a bit excessive but Council Member Dellinger stated that the City should not give discounts to non-residents as it was not fair to City taxpayers.

After further discussion, a motion was made by Council Member Dixon, seconded by Council Member Stedman and unanimously adopted that 20% of the sale cost of every lot in all City cemeteries be set aside for perpetual maintenance until all lots are sold.

ITEM 6 - NEW BUSINESS: NONE

ITEM 7 - CITY MANAGER'S REPORT.

City Manager Burchins reminded the City Council that the next regularly scheduled Council meeting be held at the Central Recreation Center at 7:00 PM. The dedication of the Center will be held at 6:00 PM at the Center prior to the Council meeting.

Mr. Burchins reported that the City has ordered material for the speed humps on West 7th Street and that the material should be delivered within three weeks and installed in February.

Mr. Burchins reported that the City has had complaints about the timing of the traffic signals on Highway #10/16/"D"Street and that he has contacted the NC Department of Transportation and requested that they check on the problem.

ITEM 8 - QUESTIONS FROM MAYOR AND COUNCIL. NONE

ITEM 9 - CLOSED SESSION ON LOCATION/EXPANSION OF BUSINESS OR INDUSTRY - G. S. 143-318.11(a)(4) and to consult with the City Attorney on a contractual matter - G. S. 143-318.11(a)(3).

Mayor Mullinax stated that the Council needed to have a Closed Session on location/expansion of business or industry.

A motion was made by Council Member Dellinger, seconded by Council Member Gaither, and unanimously adopted that the Council go into Closed Session to discuss location/expansion of business or industry.

After the Closed Session, Mayor Mullinax called the Council meeting back into session and stated no action was to be taken at this time. There being no further business, the meeting was adjourned.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk